

SMALL-SCALE/LIMITED RESOURCE FARMERS INITIATIVE

GUIDELINES AND REQUIREMENTS

- Small-scale farmers in Tennessee must own and/or operate 100 acres or less of cropland/pastureland. The minimum size must be at least 10 acres of cropland/pastureland.
- To be considered a small-scale farmer in Tennessee, the maximum annual gross income limit is \$100,000 or less. This income can be derived either on-farm or off-farm. The \$100,000 maximum annual gross income limit applies whether the participant is an individual, an entity, a joint operation, or a business. Applicants self-certify income level on the ranking sheet.
- Cost-share rates are 90 percent for cost-share practices and 100 percent for incentive payments.
- The Percent of Average Cost (AC) method of payment will be used for cost-share payments, and the Flat Rate (FR) method of payment will be used for Incentive payment.
- Small-Scale/Limited Resource Farmers Initiative contracts are limited to \$10,000 for all contracts in a single year.
- The minimum length of a Small-Scale/Limited Resource Farmers Initiative contract is two years or 12 months (one year) after the last practice is completed. The maximum length of the contract is ten years.
- Installation of irrigation practices is limited to the alternative crop acreage. Alternative crops include specialty crops grown in relatively small acreages such as truck crops, fruit and vegetable crops, nursery crops, floriculture, orchards, vineyards, container plants, and starter plants. Traditional crops such as cotton, corn for grain, wheat, soybeans, grain sorghum, tobacco, and other similar crops are not considered alternative crops. To be eligible for irrigation practices, applicants must have a minimum of two acres of alternative crops and self-certify that they have practiced some type of irrigation for at least two of the last five years.

PROCEDURE

- Applicants and land must meet the Environmental Quality Incentives Program (EQIP) standard definitions for agricultural producer and eligible land found in Parts 515.61 and 515.62 of the Conservation Programs Manual (Amendment 24, October 2004).
- Sign up for the Small-Scale/Limited Resource Farmers Initiative in Tennessee is April 25-May 31, 2005, with applications being taken at the NRCS Field Offices.
- Applications will be taken on the CCC-1200 form for EQIP with “Small-Scale/Limited Resource Farmers Initiative” written across the top of Page 1.

- News releases that explain the Small-Scale/Limited Resource Farmers Initiative and announce the sign up will be developed and distributed to NRCS Field Offices in April.
- Two “competitive pools” will be established in Tennessee: Cropland Pool and Grazing Lands Pool.
- Tennessee will dedicate \$300,000 of EQIP funds for the 2005 Initiative. Forty (40) percent (\$120,000) of the available funds will be used for the Cropland Pool. Sixty (60) percent (\$180,000) of the available funds will be used for the Grazing Lands Pool.
- Small-Scale Farmers will compete among themselves statewide in the Cropland Pool or the Grazing Lands Pool.
- Applicants may compete in both the Cropland Pool and the Grazing Lands Pool. If the applicant is selected for funding in both pools, a SEPARATE contract will be developed for each pool.
- The Small-Scale Initiative ranking criteria is similar to the current EQIP ranking criteria. The Small-Scale/Limited Resource Farmers Initiative is divided into two parts: Cropland Section and Grazing Lands Section. Eligible conservation practices are shown for the two categories.
- Applications will have one ranking criteria sheet completed for the Cropland Pool (page one of the ranking sheet) and one ranking criteria sheet completed for the Grazing Lands Pool (page two of the ranking sheet) if the applicant wants to compete in both pools.
- To be eligible for conservation practices in the Grazing Lands Pool, applicants must agree to install a grazing system and limit access to water sources. A grazing system must consist of either a rotational grazing system with five paddocks or a rotational loafing lot management system with a minimum of four paddocks (one paddock of the loafing lot management system may be a roofed stall). An applicant must meet the 11 Prescribed Grazing Guidelines (attached) in order to receive incentive payments.
- Applicants will be evaluated and ranked by June 24, 2005, with obligations made by June 29.
- After June 29, the Assistant State Conservationist (Programs) may move funds between pools or back to the general EQIP pool, if there are not enough high-ranking applicants to obligate all the funds.
- Applicants who have never received cost-share assistance under the Environmental Quality Incentives Program will be given additional points.